

Message Text

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PAGE 01 TAIPEI 00926 180245Z
ACTION EA-09

INFO OCT-01 ISO-00 EB-08 COME-00 DODE-00 NSAE-00 USIA-06
TRSE-00 ERDA-05 CIAE-00 /029 W
-----180255 087351 /20
P 170350Z FEB 77
FM AMEMBASSY TAIPEI
TO SECSTATE WASHDC PRIORITY 2606

C O N F I D E N T I A L TAIPEI 926

C O R R E C T E D C O P Y-TEXT PARA 4.

E.O. 11652: GDS
TAGS: ESTC, PFOR, US, TW
SUBJECT: PROPOSED SALE OF CYBER 74 COMPUTER TO THE ROC

REF: (A) STATE 033152, (B) 76 TAIPEI 8306, (C) 76 TAIPEI 8525

1. CHINA TECHNICAL CONSULTANTS, INC. (CTC), IS ROC'S MOST PRESTIGIOUS ENGINEERING FIRM. IT HAS PARTICIPATED IN DESIGN AND CONSTRUCTION OF MANY MAJOR UTILITY AND INDUSTRIAL PROJECTS INCLUDING, INTER ALIA, TAIPOWER'S TALIN THERMAL PLANT, CHINESE PETROLEUM CORPORATION'S KAOHSIUNG AND TAOYUAN REFINERIES, DOWNSTREAM PETROCHEMICAL PLANTS, AND ALUMINUM SMELTER. IT HAS DONE WORK FOR MANY U.S. ENGINEERING COMPANIES, INCLUDING THE BADGER COMPANY, FLUOR CORPORATION AND EBASCO SERVICES, INC. IN THE OPINION OF A SENIOR BADGER OFFICIAL, CTC IS THE BEST ENGINEERING FIRM IN EAST ASIA OUTSIDE OF JAPAN.

2. RELIABLE SOURCES INDICATED THAT CTC IS OWNED BY KMT AND VACRS. PRESIDENT OF CTC, K.C. WANG, IS ALSO PRESIDENT OF PAN ASIA CORPORATION (PAC). CHAIRMAN OF LATTER IS T.Y. CHAO, PRESIDENT OF VACRS, WHILE EXECUTIVE DIRECTOR OF PAC IS H.C. YEN, PRESIDENT OF RET-SER ENGINEERING AGENCY (RSEA), WHICH IS PART OF VACRS. CTC PERFORMS ENGINEERING SERVICES FOR PAC, WHICH IN EFFECT IS OVERSEAS ARM OF RSEA. PAC/RSEA HAS OFFICES
CONFIDENTIAL

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PAGE 02 TAIPEI 00926 180245Z

IN GUAM, THAILAND, SAUDI ARABIA AND INDONESIA. IT HAS RECEIVED SEVERAL ENGINEERING CONTRACTS FROM U.S. MILITARY AND CURRENTLY IS BUILDING HIGHWAYS, BRIDGES AND HARBORS IN INDONESIA, SAUDI ARABIA AND JORDAN.

3. ACCORDING TO LOCAL IBM OFFICIAL (WHO MAY BE MUNCHING ON SOUR GRAPES), CTC APPROACHED BOTH IBM AND CONTROL DATA CORPORATION

WITH OFFER TO PURCHASE LARGE COMPUTER TO BE USED IN PERFORMING ENGINEERING SERVICES. SINCE CAPACITY OF COMPUTER WOULD EXCEED CTC'S CURRENT REQUIREMENTS, CTC WOULD BE WILLING TO NEGOTIATE TIME-SHARING ARRANGEMENT WITH SELLER. SELLER COULD, IN TURN, RENT COMPUTER TIME TO ITS CLIENTS. CTC SELECTED CONTROL DATA CORPORATION BECAUSE OF LOWER PRICE OF CYBER 74 COMPARED WITH COMPARABLE IBM MODEL.

4. EMBASSY HAS BEEN UNABLE TO VERIFY TIES BETWEEN CTC AND CHUNG SHAN, INER, MDN OR ONE OF ARMED FORCES. HOWEVER, SINCE CTC MAY BE CONSIDERED TO BE GROC ORGANIZATION BECAUSE OF LINKS TO KMT AND VACRS, THERE IS A POSSIBILITY THAT CYBER 74 COULD BE USED FOR UNWELCOME RESEARCH PURPOSES. HOWEVER, AS WAS POINTED OUT IN REF (C), CHUNG SHAN, INER, MND AND SERVICES ALREADY HAVE 13 MEDIUM AND LARGE COMPUTERS SOME OF WHICH ARE ALMOST AS LARGE AS CYBER 74. IF GROC WISHES TO HIDE FACT THAT IT IS USING COMPUTERS FOR UNWELCOME RESEARCH IT IS LIKELY THAT IT WOULD SELECT ONE OR MORE OF THE 13 OVER WHICH IT HAS COMPLETE CONTROL.

5. FOR MORE INFORMATION ON CTC, SEE CURRENT WTDR CONTAINED IN REF (B).
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SALES, TRANSACTION CHECKS, COMPUTERS
Control Number: n/a
Copy: SINGLE
Sent Date: 17-Feb-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770083-0075, D770056-0259
Format: TEL
From: TAIPEI
Handling Restrictions: n/a
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Legacy Key: link1977/newtext/t19770229/aaaabagb.tel
Line Count: 85
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Office: ACTION EA
Original Classification: CONFIDENTIAL
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Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
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SAS ID: 3288007
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Subject: PROPOSED SALE OF CYBER 74 COMPUTER TO THE ROC
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To: STATE
Type: TE
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